5/16/88 S6615-2

OREGON LABOR TRENDS

APRIL 1988

MARCH INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
Mar.	1988	5.9
Feb.	1988	6.1
Mar.	1987	6.8
U.S.		
Mar.	1988	5.6
Feb.	1988	5.7
Mar.	1987	6.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100	
Mar.	1988	120.7
Feb.	1988	120.1
Jan.	1988	119.7
Dec.	1987	118.8
Nov.	1987	118.4

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Feb.	1988	$10.71
Jan.	1988	$10.69
Feb.	1987	$10.58

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Feb.	1988	40.0
Jan.	1988	39.9
Feb.	1987	39.6

CONSUMER PRICE INDEX (CPI)

1967-100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1987	327 .8
Yearly change	3.3%
Annual Average 1987	324.7
Yearly change	2.5%
U.S.	
Mar. 1988	349.0
Yearly change	3.9%
Annual Average 1987	340.4
Yearly change	3.7%

Portland Hotline 221-4132

A STRONG START IN '88

David Allen

The first quarter of the sixth year of recovery is now history. January, February, and March have set new employment records. Indeed, every quarter since 1982 has seen higher employment than the previous quarter. Oregon's economy has been growing stronger! The combination of a weak dollar, increasing gains in productivity, low inflation, and acceptable interest rates have all contributed to this prosperity.

One troubling factor during January and February was the increase in the seasonally adjusted unemployment rate. January's rate was 6.0%, up from the December rate of 5.6%, and the February rate climbed to 6.1%. Fortunately, this trend did not continue in March, when the rate dropped to 5.9%. Last year, the first quarter unemployment rates were 7.3%, 7.0% and 6.8% for January, February, and March, respectfully. Therefore, this year's first quarter rates averaged one percentage point lower, which is another strong indication of a healthy start for the 1988 Oregon economy.

A closer look at the figures for March is also impressive. Highlights include the following:

- The highest nonfarm payroll employment level (seasonally adjusted) on record for any month.
- Lowest number unemployed in March since 1979.
- Most major industry groups performed better than seasonal expectations. Notable exceptions were insturments and related products (layoff at one large firm), Transportation equipment (contact completions in ship repair), and food and kindred products (temporary shutdown for maintenance).
- Construction had the best month of March since 1981.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
OREGON and THE UNITED STATES: 1978 to 1988

* Civilian labor force only

- Services hit another all-time employment mark. March employment records were set in hotels and lodging places, business services, amusement and recreation, and private education. All-time employment records were set in hospitals, other health services, professional, and other personal services .

The growth of construction (1,300 more workers than seasonally expected) during March is of special significance since this is the industry that was hardest hit by the 1980-82 recession. Even after five years of recovery, the 1987 annual average employment for construction was 18,000 workers short of the peak 1979 level. Perhaps, the unexpectedly high figures in March are a sign that 1988 will be a catch-up year for construction, particularly since both residential and nonresidential building trades are showing strong employment gains. However, it is still unlikely that construction employment will, in the foreseeable future, get back to the boom years of the late 70's.

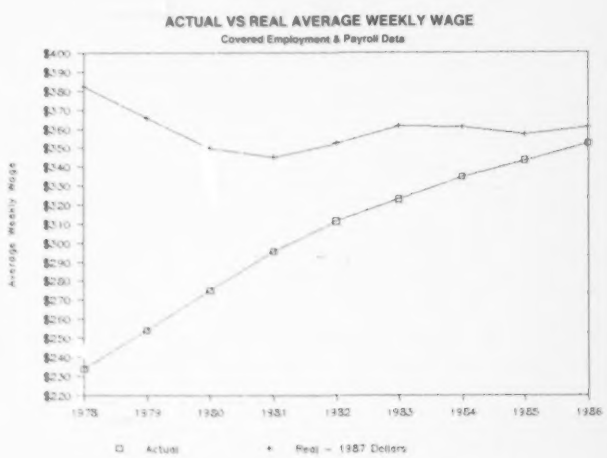
EMPLOYMENT DIVISION JOB OPENINGS RECEIVED AND FILLED JULY 1987 - MARCH 1988

Occupation	Openings Received	Openings Filled*	Unfilled Openings	Non-Ag. Unfilled Openings 30 Days or More
Professional/Technical	5,484	1,751	3,733	5,843
Clerical	11,140	7,524	3,616	799
Sales	5,192	3,718	1,474	157
Domestic	2,775	2,232	543	58
Other Services	16,176	11,117	5,059	658
Farm, Forest, Fish	17,879	15,879	1,716	153
Processing	5,581	5,635	– 54	66
Machine Trades	6,301	4,055	2,246	1,343
Benchwork	3,312	2,574	738	237
Structural	7,312	2,766	4,546	446
Motor/Freight/Transportation	4,260	3,108	1,152	103
Packaging/Material Handling	7,950	6,895	1,055	86
Other	644	521	123	79
TOTAL	93,722	70,775	22,947	10,028

*Some filled openings were from June 1987 activity, i.e., food processing.

As bright as the start of the 1988 economy looks, a new problem seems to be developing, labor shortages! To Oregonians, the talk of labor shortages probably seems strange given our recent past. However, a combination of sustained low unemployment levels, an increasing number of new jobs, a reduction in the number of young workers coming into the labor market due to the baby bust, and the impact of new immigration laws, now all point to potential labor shortages. The Employment Division is now seeing in its own labor force exchange activities a volume of job openings not seen since the late 70's. During the first quarter of 1988, the Employment Division placed over 15,000 workers. This is up 17.2% from the first quarter of last year. Since July 1987, the Employment Division has received from employers almost 94,000 job openings. As the accompanying job openings table demonstrates, all major occupational groups had high levels of activity. Indeed, some 10,000 non-agricultural jobs went unfilled for 30 days or more.

A good illustration of an occupation that has done a turn-around is found in the machine trades. Machinists during the 1980-82 recession reached unemployment levels of 30%. Principally due to the current weak foreign exchange value of the dollar, Oregon machine products are now highly competitive. Consequently, given the current business cycle boom, there is now a shortage of trained machinists. The construction trades have also done an about face. Plumbers, electricians, carpenters, brick layers, and drywall



RESIDENT OREGON LABOR FORCE

	MAR.[1] 1988	FEB.[2] 1988	CHANGE	%CHANGE	MAR.[5] 1987
CIVILIAN LABOR FORCE[3]	1,418,400	1,410,700	7,700	0.5	1,360,500
UNEMPLOYMENT	94,400	100,700	-6,300	-6.3	103,400
PERCENT OF LABOR FORCE	6.7	7.1	XXX	XXX	7.6
SEASONALLY ADJUSTED PERCENT	5.9	6.1	XXX	XXX	6.8
TOTAL EMPLOYMENT[4]	1,324,000	1,310,000	14,000	1.1	1,257,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	MAR.[1] 1988	FEB.[2] 1988	MAR. 1987	CHANGE FROM FEB. 1988	CHANGE FROM MAR. 1987
TOTAL[3]	1,113,500	1,105,300	1,067,200	8,200	46,300
WAGE & SALARY EMPLOYMENT INDEX[4]	120.7	120.1	115.7	XXX	XXX
TOTAL MANUFACTURING	204,000	204,800	195,400	-800	8,600
DURABLE GOODS	150,400	150,600	142,100	-200	8,300
LUMBER & WOOD PRODUCTS	66,500	66,900	64,200	-400	2,300
LOGGING & SAWMILLS	33,500	33,800	32,300	-300	1,200
VENEER & PLYWOOD	17,700	17,800	17,500	-100	200
MILLWORK & STRUCTURAL WOOD	10,200	10,200	9,600	0	600
MOBILE HOMES	1,400	1,400	1,200	0	200
OTHER WOOD PRODUCTS	3,700	3,700	3,600	0	100
FURNITURE AND FIXTURES	2,500	2,500	2,400	0	100
STONE, CLAY, GLASS & CONCRETE	3,400	3,300	3,200	100	200
PRIMARY METALS	10,100	10,000	8,900	100	1,200
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,400	0	600
NONFERROUS METALS	4,100	4,000	3,500	100	600
FABRICATED METALS	10,400	10,200	9,900	200	500
FABRICATED STRUCTURAL METALS	4,400	4,200	4,400	200	0
OTHER FABRICATED METALS	6,000	6,000	5,500	0	500
MACHINERY	16,100	16,000	15,200	100	900
ELECTRICAL EQUIPMENT & SUPPLIES	14,400	14,200	13,000	200	1,400
TRANSPORTATION EQUIPMENT	11,800	12,100	10,400	-300	1,400
INSTRUMENTS & RELATED PRODUCTS	11,900	12,200	12,100	-300	-200
MISCELLANEOUS MANUFACTURING	3,300	3,200	2,800	100	500
NONDURABLE GOODS	53,600	54,200	53,300	-600	300
FOOD & KINDRED PRODUCTS	19,800	20,400	20,700	-600	-900
CANNING & PRESERVING	9,200	9,900	10,200	-700	-1,000
OTHER FOOD PRODUCTS	10,600	10,500	10,500	100	100
TEXTILE MILL PRODUCTS	1,800	1,800	1,800	0	0
APPAREL	2,700	2,600	2,500	100	200
PAPER & ALLIED PRODUCTS	9,100	9,100	9,200	0	-100
PRINTING & PUBLISHING	13,200	13,300	12,500	-100	700
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,100	4,000	3,600	100	500
LEATHER PRODUCTS	400	500	500	-100	-100
TOTAL NONMANUFACTURING	909,500	900,500	871,800	9,000	37,700
MINING & QUARRYING	1,300	1,300	1,300	0	0
CONSTRUCTION	33,500	31,700	29,900	1,800	3,600
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,600	58,700	57,200	-100	1,400
TRANSPORTATION	37,400	37,400	36,000	0	1,400
RAILROAD	3,800	3,800	3,900	0	-100
TRUCKING & WAREHOUSING	21,400	21,400	20,400	0	1,000
OTHER TRANSPORTATION	12,200	12,200	11,700	0	500
COMMUNICATIONS	12,500	12,600	12,500	-100	0
UTILITIES	8,700	8,700	8,700	0	0
TRADE	280,800	279,100	265,200	1,700	15,600
WHOLESALE TRADE	71,800	71,100	66,500	700	5,300
DURABLE GOODS	42,400	41,900	39,200	500	3,200
NONDURABLE GOODS	29,400	29,200	27,300	200	2,100
RETAIL TRADE	209,000	208,000	198,700	1,000	10,300
GENERAL MERCHANDISE	27,200	27,000	25,200	200	2,000
FOOD STORES	34,200	34,400	32,200	-200	2,000
AUTO DEALERS & SERVICE STATIONS	25,900	25,700	25,200	200	700
OTHER RETAIL TRADE	121,700	120,900	116,100	800	5,600
FINANCE, INSURANCE, & REAL ESTATE	72,800	72,000	70,700	800	2,100
BANKING & CREDIT AGENCIES	24,000	23,900	23,800	100	200
OTHER FINANCE, INSURANCE, & REAL ESTATE	48,800	48,100	46,900	700	1,900
SERVICES	249,900	246,500	239,000	3,400	10,900
HOTELS & PERSONAL SERVICES	26,000	25,200	25,200	800	800
HEALTH SERVICES	77,400	76,600	73,900	800	3,500
OTHER SERVICES	146,500	144,700	139,900	1,800	6,600
GOVERNMENT	212,600	211,200	208,500	1,400	4,100
FEDERAL GOVERNMENT	29,400	29,100	28,600	300	800
STATE GOVERNMENT	59,100	58,800	57,800	300	1,300
EDUCATION	25,500	25,500	25,400	0	100
OTHER STATE	33,600	33,300	32,400	300	1,200
LOCAL GOVERNMENT	124,100	123,300	122,100	800	2,000
EDUCATION	79,800	79,400	79,200	400	600
OTHER LOCAL	44,300	43,900	42,900	400	1,400
LABOR – MANAGEMENT DISPUTES	200	100	0	100	200

1/ Preliminary
2/ Revised
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

installers are currently all in high demand. What a change from just a few years ago.

As might be expected, the increasing demand for labor is starting to put pressure on wage rates. For example, job openings paying less than $5.00 per hour are becoming hard to fill, and wages offered for many jobs are starting to go up. The graph displaying covered employment and payroll data from 1978 to 1986 does, in fact, show an increase over time in the average weekly wage in actual dollars. Real wages in 1987 dollars, however, have stayed below the 1978 level. Workers earned in 1986, on the average, $21.63 per week less than they did in 1978. However, if the current upward trend in wages continues, fueled by the increased demand for labor, real wages should again reach the pre-recession levels. Oregon will have then, "comeback"! □

NEW LMI PUBLICATIONS

The 1987 **Business & Employment Outlook** publication for the State of Oregon is now available. The purpose of this report is to provide accurate and timely labor market information about Oregon to Job Training Partnership Act program operators, citizens, businesses and others who are involved in the employment, training and economic development fields. The report contains data and analyses on various topics including population, labor force, unemployment, industrial, occupational and income trends. A brief Executive Summary of this report is also available.

Earlier this year, **Business & Employment Outlook** publications (and Executive Summaries) were published for 14 local areas in Oregon.

To obtain copies of any of these annual reports or Executive Summaries please contact:

OREGON EMPLOYMENT DIV. - LMI
875 Union Street N.E.
Salem, OR 97311
PH. (503) 378-8657 □

REGIONAL STRATEGIES: A PROGRAM OF CHOICE

George L. Wyatt

(Editor's note: Mr. Wyatt is the Director of the Regional Strategies Program within The Oregon Economic Development Department. In this month's issue of **Oregon Labor Trends**, *we present the second half of Mr. Wyatt's article.)*

THE REGIONAL STRATEGIES CHALLENGE

The Regional Strategies Program presents several demanding challenges for strategy development and approval. First, to achieve maximum economic development and growth potential for the region, it requires placing economic reality, assessment, and opportunity ahead of more traditional and local political considerations. This relationship is even more complex when economic development is opened to a public process, which is not clearly defined, and not left to a private sector process led by entrepreneurs and business technocrats.

Second, developing a regional strategy requires that the region think and act strategically. Regional strategies, as a program, was not created or envisioned as a traditional block grant program, but rather requires that regions think strategically and develop a plan that builds upon an existing base and positions the region for economic development success in the long term but provides for near term results to check and evaluate the progress of economic development. Strategic thinking as contrasted with project planning is much more of a challenge because there are more variables and more unknowns.

This challenge is further heightened by asking or requiring counties to form multi-county regions whenever possible. This requirement assumes that counties are both willing and able to work together in the pursuit of the same economic development strategy. This requires a more significant commitment of cooperation than the project-by-project support in more traditional community development programs.

Third, the regional strategies program requires a strategy of choice. Decision makers are thrust into a position where they must make a choice on the economic development alternatives for the region, they must be able to make a choice on the evaluative criteria for selecting a strategy of choice from among the alternatives, and, finally, they must be able and willing to make a choice of which strategy to pursue under the Regional Strategies Program. This is a very sensitive position politically and without technical assistance for identifying and assessing the economic alternatives, the choice requirement markedly increases the complexity of the regional strategies development process.

Fourth, it is a challenge to establish the trust relationships essential to the cooperation necessary to the partnership concept inherent in the regional strategies program. These must be developed between and among citizens, various levels of government and the private sector where appropriate. With many new players in the economic development arena and with the new requirement to think strategically and to select a strategy of choice, the trust relationships are in the incubator stage.

Fifth, it is a major challenge to convert an idea for economic development into a regional economic development strategy that makes sense based upon funding requirements and natural and human resources, represents a strategy of choice, gains public support, demonstrates the potential for being self-sustaining, creates family wage jobs, and capitalizes on the potential for leveraging state and federal agencies as well as the private sector during the implementation of the regional strategy.

Sixth, all counties have had to deal with the challenge of trying to develop a regional strategy with little or no technical assistance. The funding of the Regional Strategies Program did not provide for any financial support prior to the adoption and approval of a regional strategy.

Finally, the challenge of keeping the Regional Strategies Program in perspective because it was not meant to displace other ongoing economic development efforts in a county or region. Rather, it was meant to be a program which would allow a region to focus on a strategy of choice and participate in the Oregon Comeback. Regions would necessarily have to select a principal economic activity and associated projects to be funded from the Regional Strategies Fund and supported by state and federal agencies and the private sector. This is an economic development program with a special partnership emphasis but it is not meant to be "the only economic development show in town." Counties and regions are expected and encouraged to continue to pursue other

economic development options. Also, the Regional Strategies Program was not created as a panacea for all economic problems at the community, city, county or state levels. The level of funding was limited to $25 million dollars for implementing regional strategies across the state. To be successful, it will require significant leverage which will be gained by working in a cooperative manner with state and federal agencies and the private sector for funding and technical assistance support for implementing a strategy. Consequently, leverage is a key concept in the development, review, and approval processes of the program.

PROGRESS REPORT

The Regional Strategies Unit of OEDD has developed permanent administrative rules, established a strategy development and review process, provided limited technical assistance to regions in the strategy development process, and formulated a funding model and compliance procedure for monitoring approved strategies. The Unit has also developed operating policies and procedures for managing the program.

All counties have been actively involved in the strategy development process. Some are further along in the development of their strategy of choice than others but all counties have made significant progress.

Two regional strategies have been approved by Governor Goldschmidt. Coos County submitted a maritime trade strategy and was finally approved as a single county strategy on February 18, 1988. Central Oregon submitted a tourism strategy for Crook, Deschutes, and Jefferson counties and was approved on March 3, 1988.

FUTURE DIRECTION

The success of Coos County and Central Oregon in having their strategies approved encourages other counties to complete their regional strategy and submit it for review and approval consideration.

Clarification of program administration and responsibility, establishment of permanent rules, and the development of operating policies has helped to create a sense of stability and direction for the Regional Strategies Program.

While questions are still being asked about specific elements of each regional strategy, these tend to be focused on the future and where the program is headed. Most questions are in terms of expectations for program direction and funding over the next several years, and these questions are consistent with the concept of strategic economic development planning which sets in motion an economic development process directed toward the long run economic health of a region and the State but which has near term measurable thresholds sufficient to assess whether or not the regions and the State are on the correct path for promoting and ensuring a healthy, dynamic, responsive economy for Oregon's future. □

OREGON EARNINGS COMPARED

David Cooke

How do the earnings of Oregonians compare with the earnings of workers in neighboring states and in the United States?

One tool of comparison is the average weekly earnings series compiled monthly by the Bureau of Labor Statistics. Within this series, the broadest, most comparable measure between states is the average weekly earnings (AWE) figure for manufacturing production workers. Comparable preliminary figures for December 1987, show that manufacturing AWE for Oregon ($422.76) was less than Washington ($461.24) and California ($451.28), and greater than Nevada ($391.79) and Idaho ($379.85). In December, the highest manufacturing AWE for any state was Michigan ($567.17), while the lowest was Mississippi ($318.01).

With Oregon manufacturing production workers averaging lower pay than workers in larger neighboring states and higher pay than those in smaller neighboring states, how have Oregonians fared against the United States as a whole?

For over twenty years, the average weekly earnings for Oregon manufacturing production workers has been close to 10% higher than the national average. In 1967, the Oregon manufacturing AWE ($123.24) was 8% higher than the U.S. ($114.49). Similarly, ten years later in 1977, Oregon ($257.46)

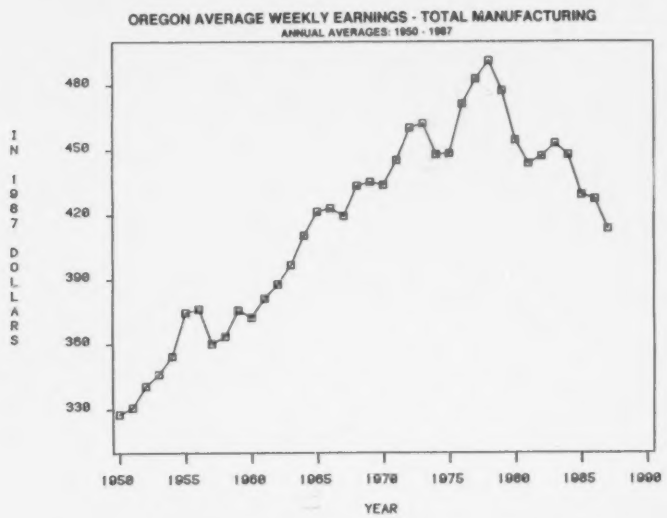
AVERAGE WEEKLY EARNINGS FOR MANUFACTURING PRODUCTION WORKERS

	U.S.	Oregon	Percent Oregon vs. U.S.
1964	$102.97	$112.01	8.8
1965	107.53	117.01	8.8
1966	112.19	120.78	7.7
1967	114.49	123.24	7.6
1968	122.51	132.66	8.3
1969	129.51	140.37	8.4
1970	133.33	148.22	11.2
1971	142.44	158.69	11.4
1972	154.71	169.42	9.5
1973	166.46	180.78	8.6
1974	176.80	194.39	9.9
1975	190.76	212.35	11.3
1976	209.32	236.12	12.8
1977	228.90	257.46	12.5
1978	249.27	281.97	13.1
1979	269.34	304.92	13.2
1980	288.60	329.57	14.2
1981	318.00	355.13	11.7
1982	330.26	379.76	15.0
1983	354.08	398.73	12.6
1984	374.03	409.25	9.4
1985	386.37	406.35	5.2
1986	396.01	412.23	4.1
1987	406.31	413.56	1.8

was 12% higher than the U.S. ($228.90). In fact, between 1964 and 1983, Oregon manufacturing AWE has always been between 8% and 15% above the national average.

Within the last generation, the manufacturing AWE for Oregon and the U.S. have risen each year at about the same rates. During the past three years, however, the previously steady rise in AWE for Oregon has faltered. Not only has inflation-adjusted AWE for Oregon dropped substantially (see accompanying graph), but also, Oregon's AWE has moved much closer to the U.S. average. In 1987, Oregon manufacturing AWE ($413.56) was only 2% higher than the U.S. ($406.31).

While average weekly earnings for manufacturing production workers in Oregon lie somewhere in the middle compared with averages for workers in neighboring states, Oregon workers have recently lost ground compared with the rest of the nation. □



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987
TOTAL MANUFACTURING[4]	$428.40	$426.53	$418.97	40.0	39.9	39.6	$10.71	$10.69	$10.58
Durable Goods	434.97	432.95	425.01	40.5	40.5	40.4	10.74	10.69	10.52
Lumber & Wood Products	444.17	432.00	437.13	40.9	40.0	41.2	10.86	10.80	10.61
Logging & Sawmills	472.32	460.60	457.97	40.3	39.3	40.6	11.72	11.72	11.28
Veneer & Plywood	449.44	426.62	443.76	42.4	40.4	43.0	10.60	10.56	10.32
Millwork & Structural	369.08	371.45	373.92	41.1	42.5	41.0	8.98	8.74	9.12
Mobile Homes	283.04	272.24	273.90	32.2	32.8	32.3	8.79	8.30	8.48
Other Wood Products	424.54	422.01	434.72	40.9	40.5	41.8	10.38	10.42	10.40
Furniture & Fixtures	305.14	292.59	330.37	36.5	35.9	39.9	8.36	8.15	8.28
Primary Metals	513.33	508.98	492.89	42.6	42.7	40.5	12.05	11.92	12.17
Fabricated Metals	386.50	383.20	370.83	39.6	40.0	39.2	9.76	9.58	9.46
Machinery (Ex Electrical)	455.67	451.88	429.16	41.5	40.6	39.3	10.98	11.13	10.92
Nondurable Goods	406.75	407.29	403.50	38.3	38.1	37.5	10.62	10.69	10.76
Food & Kindred Products	323.23	323.80	323.00	36.4	35.7	35.3	8.88	9.07	9.15
Canning & Preserving	276.68	272.00	273.82	35.7	34.0	34.4	7.75	8.00	7.96
Other Food Products	380.18	380.89	383.29	37.2	37.6	36.4	10.22	10.13	10.53
Textile Mill Products	264.86	238.16	259.52	38.0	35.6	39.5	6.97	6.69	6.57
Apparel	234.36	225.95	230.44	37.8	36.8	38.6	6.20	6.14	5.97
Paper & Allied Products	625.19	645.45	627.82	42.1	43.7	40.9	14.85	14.77	15.35
Printing & Publishing	447.30	437.47	440.67	37.4	37.2	37.0	11.96	11.76	11.91
Construction[4]	475.40	460.59	462.64	34.3	33.4	33.5	13.86	13.79	13.81
Communications & Utilities[5]	542.12	545.71	538.07	40.7	41.0	41.2	13.32	13.31	13.06
Trade[5]	294.62	293.19	291.02	34.1	33.7	33.8	8.64	8.70	8.61
Wholesale Trade	405.08	408.10	404.74	39.1	38.5	37.2	10.36	10.60	10.88
Retail Trade	241.24	238.33	236.67	31.7	31.4	32.2	7.61	7.59	7.35
Banking & Insurance[5]	345.20	340.99	332.73	38.7	38.4	39.8	8.92	8.88	8.36
State & Local Government	365.39	370.45	349.67						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

LMI: KEY COMPONENT IN REGIONAL STRATEGIES PLANNING

Tom Lynch

(Editor's note: Mr. Lynch is the Director of Labor Market Information in the Oregon Employment Division).

The creation or retention of jobs and a healthy business climate are the watchwords of the new Regional Strategies economic development program in Oregon. This program requires that each local Regional Strategy group go through a set of steps involving local assessment and economic analysis which lead to identification of local economic development opportunities for any local area. Specific opportunities become apparent as the process of assessment and evaluation continues. How major components of this process are accomplished involves the use of Labor Market Information (LMI) in clarifying the economic potential of the local region.

Labor Market Information can and does enter into the local Regional Strategies Program in three major ways. It provides assistance and analysis of the general economic conditions and economic base of the local area; identification of the local human resource potential; and analysis of the job creation possibilities of the proposed local regional strategy. These three critical attributes are essential if a local Regional Strategy program is to be successful in clarifying its economic development potential.

An analysis of the general economic conditions and economic base of the local region provides information on how and why economic growth and development have changed over time. It identifies the national and international economic forces which are causing these changes and the effects these forces have on the local community. These effects are reflected in the analysis of labor force and unemployment trends, population movements, and changes in industrial and occupational structure provided in the local **Business and Employment Outlook** publications provided by the Labor Market Information Programs staff.

Historically, the weakest link of most economic development programs has been the analysis of the human resource potential of the local area. In many economic development plans this crucial element was either completely ignored or given passing reference in one sentence or a short paragraph. There is still a tendency for this to occur in Oregon but the Regional Strategies Program provides an opportunity to change this inclination. With the ongoing industrial restructuring of many of the local economies, it is important to have an overall profile of the region's human resources. This profile would include such things as the availability of specific occupational skills, educational levels, demographic characteristics of the labor force and population, and the educational and training resources to support the proposed local strategy. The State's Regional Strategies Program asks the local strategy groups to provide this analysis. This type of information has been provided by the Labor Market Information Programs through the **Business and Employment Outlook** publications covering the State and fourteen local areas and the Occupational Program Planning System.

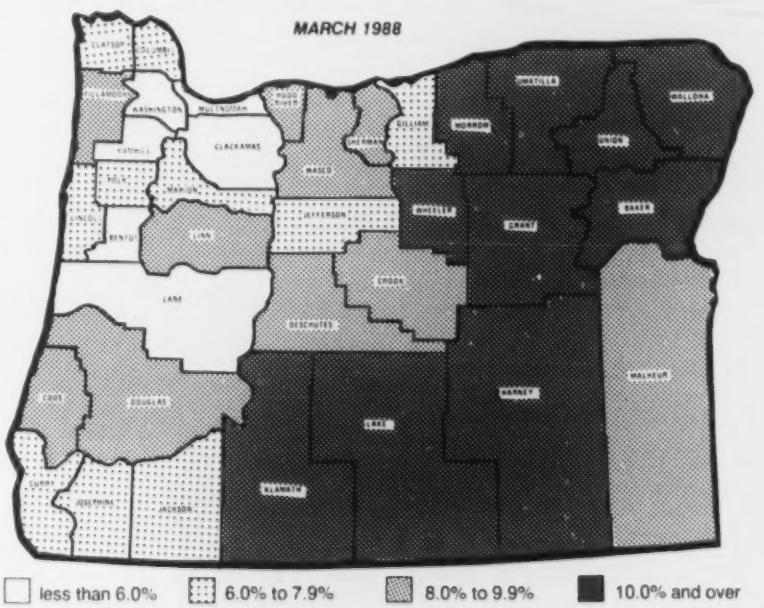
The final questions that all local regional strategies have to consider are the job creation potentials of the proposed strategy. These questions encompass both the numbers and types of jobs as well as the wages or salaries that can be anticipated for the people who fill the new jobs. A variety of economic analysis techniques have been used by the Labor Market Information Programs staff to formulate tentative answers to these questions. The most common technique used to assess the job creation possibilities of the various regional strategies has been Input/Output. This type of analysis requires that the local strategy groups provide answers to various questions that demonstrate the potential impacts of the proposed strategy on local industries. These answers are then introduced to the Input/Output model which produces preliminary estimates as to the numbers and types of jobs that can be expected if the strategy is successful. Although this technique can contain some possible inaccuracies, it provides a quick cost-effective way of measuring the potential impacts of a chosen local regional strategy.

The last question addressed in this economic analysis is the expected wages to be offered by the jobs that could be created from the local strategy. Using a variety of occupational wage sources, Labor Market Information Programs staff provide an assessment of whether these expected wages meet the standards that have been established for the Regional Strategy Program.

Labor Market Information provides a "feasibility" check for most of the local regional strategy proposals being developed in Oregon. The services provided, thus far, are in the early phases of development and should expand if the Regional Strategies Program becomes a permanent tool in the State's economic development efforts. □

UNEMPLOYMENT RATES BY AREA

MARCH 1988



EMPLOYERS' CORNER

Gary Lorenz

HIRE SUMMER HELP AND GET A TAX CREDIT

As summertime approaches, many youths will be knocking on your door looking for work. Some of these youths will meet the requirements for the Targeted Jobs Tax Credit (TJTC) program.

Some youths may qualify under the "Qualified Summer Youth 16 and 17 Age" Target Group. Employers who hire qualified youths from this age group after May 1, 1988 are eligible to take a Federal tax credit. For each qualified youth hired, an employer can earn a tax credit of 85% on the first $3,000 of wages paid. The maximum tax credit is $2,550. This program ends on September 15, 1988.

Some of the youths, ages 18-24, may qualify the employer for a tax credit of 40% based on the first $6,000 of wages paid to each eligible youth in the first year of employment.

To obtain the Federal tax credit the employer must do the following:

1. Hire youths from one of the target groups.
2. Request TJTC certification in writing before they start work.
3. Have their eligibility determined.
4. Pay wages -- earn the tax credit.
5. If you have questions or need assistance, call 1-800-237-3710, extension 8-8244 or your nearest Employment Division local office. □

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during May, 1988:

DISCIPLINE AND DISCHARGE
Moose Lodge, Roseburg
May 3 . . . 7:30 AM to 12:00 Noon
Call Kathi Joy 672-2648 or
Cathy Ramsey 440-3344

HOW THE NEW IMMIGRATION LAW AFFECTS YOU
Hi Ho Restaurant, Clackamas
May 11 . . . 7:00 AM to 11:30 AM
Call Cathie Moravec or Jerry Howard, 657-2078

SELLING
Chumaree Comfortel, Salem
May 19 . . . 7:30 AM to 11:30 AM
Call Neil Puckett 378-4845 or
Joe Hall 472-5118

ENERGIZING YOUR WORKFORCE
Red Lion Motor Inn, Springfield
May 26 . . . 7:30 AM to 12:00 Noon
Call Phyllis Coggins 726-2518 or
Chuck Sherwood 726-3577

OREGON LABOR TRENDS

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Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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